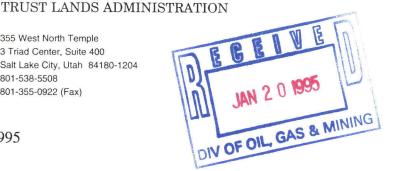


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Michael O. Leavitt Governor Scott Hirschi Director

355 West North Temple 3 Triad Center, Suite 400 Salt Lake City, Utah 84180-1204 801-538-5508 801-355-0922 (Fax)



January 20, 1995

Earl F. Gross 1478 West 500 North Vernal, Utah 84078

RE: Reclamation on ML 44152; T6S, R22E, Section 15: NW 4NW 4, N1/2NE 4

Dear Sir:

On December 29, 1994, the Division of Oil Gas and Mining conducted a surface examination of the above mentioned property. Their examination revealed an unreclaimed excavation, a semi trailer, and other debris on the land which was formerly leased to your company under Mineral Lease Number 44152.

Under Article IV of the original lease, the Lessee is required to make proper rehabilitation to the surface as required by the Utah Mined Land Reclamation Act and as required by all lawful rules and regulations.

As per Article XIX of the lease, if the leasehold estate is damaged by acts or neglect of the Lessee or operator the Lessor shall have a right of action for damages and for restitution for any failure or refusal to comply with the terms and conditions of any statute of this State relating to reclamation or rehabilitation.

In order to resolve the issue of reclamation responsibility, the Division of Oil Gas and Mining has proposed an on site meeting with the various mine operators of record. If you have documentation of the disturbances existing in the area prior to your operations, please provide us with a copy of these items or bring them to the meeting. Weather permitting we propose the on site meeting to be held on Tuesday, April 4, 1995, 11:00 AM at the old gravel pit in Section 15. Please inform us if you or a representative cannot attend this meeting as soon as possible, so we may reschedule it accordingly.

If you have any questions concerning this matter please contact me.

Sincerely,

William M. Stokes

Mineral Resource Specialist

